

AN ACT

ENTITLED, An Act to repeal certain producer licensing requirements, to revise certain producer and administrator standards for licensure, and to provide procedural requirements for certain disciplinary proceedings.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 58-29D-24 be amended to read as follows:

58-29D-24. The director may not issue a license if the director determines that the administrator, or any individual responsible for the conduct of affairs of the administrator as defined in subdivision 58-29D-22(3), is not qualified for licensure by reason of § 58-30-167.

Section 2. That § 58-30-2.1 be repealed.

Section 3. That § 58-30-68 be amended to read as follows:

58-30-68. The director may issue to an applicant qualified therefor under this title a limited lines insurance producer's license as follows:

- (1) To transportation ticket-selling agents of common carriers, covering personal accident insurance under ticket policies;
- (2) To transportation ticket-selling agents of common carriers, covering baggage insurance;
- (3) Travel accident insurance producers of motor service clubs.

Section 4. That § 58-30-111 be amended to read as follows:

58-30-111. The director may not again issue a license under this title to any person whose license has been revoked, until after expiration of one year from the date of such revocation or if judicial review of such revocation is sought, then within one year from the date of final court order or decree affirming the revocation. If the former licensee again files application for a license under this title, the director may require the applicant to show good cause why the prior revocation should not be a bar to the issuance of a new license.

Section 5. That § 58-30-116 be amended to read as follows:

58-30-116. In each two-year period, each licensee shall furnish evidence to the director of the Division of Insurance that the licensee has satisfactorily completed the following continuing education requirements:

- (1) Any licensee who holds a property casualty life, accident/health, or variable contract qualification shall obtain a minimum of ten continuing education credit hours in courses certified for each such classification. However, no more than twenty hours of continuing education may be required of any licensee holding multiple insurance producer licenses; and
- (2) Any licensee who holds only a crop hail qualification shall obtain a minimum of four credit hours certified for that line.

Section 6. That § 58-30-148 be amended to read as follows:

58-30-148. A person applying for a resident insurance producer license shall make application to the director on an application form or format as prescribed by the director and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. The director shall consider the use of a uniform application form or format.

Before approving the application, the director shall find that the individual:

- (1) Is at least eighteen years of age;
- (2) Has not committed any act that is a ground for denial, suspension, or revocation set forth in § 58-30-167;
- (3) Has paid the fees set forth in § 58-2-29; and
- (4) Has successfully passed the examinations for the lines of authority for which the person has applied.

Section 7. That § 58-30-160 be amended to read as follows:

58-30-160. A licensee as nonresident insurance producer shall at all times be qualified for and hold in the licensee's home state of domicile the license of that home state as a resident insurance producer covering all kinds of insurance covered or to be covered under the South Dakota nonresident license. A hearing is not necessary in order to revoke, suspend, terminate, or nonrenew a nonresident insurance producer's license in this state if that insurance producer no longer has a producer license in the insurance producer's home state of domicile.

Section 8. That § 58-30-167 be amended to read as follows:

58-30-167. The director may suspend for not more than twelve months, or may revoke or refuse to continue, any license issued under this chapter, or any license of a surplus lines broker after a hearing. Notice of such hearing and of the charges against the licensee shall be given to the licensee and to the insurers represented by such licensee or to the appointing agent of a producer at least twenty days before the hearing. The director may suspend, revoke, or refuse to issue or renew an insurance producer's license or may accept a monetary penalty in accordance with § 58-4-28.1 or any combination thereof, for any one or more of the following causes:

- (1) Providing incorrect, misleading, incomplete, or materially untrue information in the license application;
- (2) Violating any insurance laws or rules, subpoena, or order of the director or of another state's insurance director, commissioner, or superintendent;
- (3) Obtaining or attempting to obtain a license through misrepresentation or fraud;
- (4) Withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business;
- (5) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance;

- (6) Having been convicted of a felony;
- (7) Having admitted or been found to have committed any insurance unfair trade practice or fraud;
- (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere;
- (9) Having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory;
- (10) Forging another's name to an application for insurance or to any document related to an insurance transaction;
- (11) Using notes or any other reference material to complete an examination for an insurance license;
- (12) Knowingly accepting insurance business from an individual who sells, solicits, or negotiates insurance and is not licensed; or
- (13) Failing to comply with an administrative or court order imposing a child support obligation.

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I certify that the attached Act  
originated in the

HOUSE as Bill No. 1029

\_\_\_\_\_  
Chief Clerk  
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\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1029  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor  
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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor  
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STATE OF SOUTH DAKOTA,  
ss.  
Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State